



Testimony HB 235
BUDGET and TAXATION COMMITTEE
March 28, 2023
Position: FAVORABLE

Dear Chairman Guzzone and Members of the Budget and Taxation Committee

The Community Development Network of Maryland (CDN) is the voice for Maryland's community development sector and serves nearly 200 member organizations. CDN—focuses on small affordable housing developers, housing counseling agencies and community-based non-profits across the state of Maryland. The mission of CDN is to promote, strengthen and advocate for the community development sector throughout Maryland's urban, suburban and rural communities.

HB 235 – Extends the time from 4 months to 6 months that has to pass after a tax sale before the holder of the certificate of sale of the property may be reimbursed for certain expenses when the property is redeemed.

CDN has been part of the ongoing work to reform the process of tax sale in the state since 2016. In 2017, CDN was a lead partner in the Task Force to Study Tax Sales in Maryland. CDN currently serves on the Baltimore City Mayor's Tax Sale Workgroup in Baltimore City.

Once a homeowner has received notice that they are facing tax sale, there is little time, to find the money to pay off the tax debt prior to the auction. In the months after the lien certificate auction, some homeowners are able to pull together the funds needed to pay the tax delinquency; however, after the four-month period has passed to redeem with the county for solely the delinquent amount plus interest, and the attorney's fees and expenses begin to pile up, the cost of redemption can very quickly become out of reach for these homeowners.

Most of the people in the state impacted by tax sale are older, single, African American women living at or below the poverty line who owed less than \$3000. Many have lost spouses or children who were taking care of taxes and household expenses. Increasing the period to six months before additional fees and expenses can be charged would help more homeowners avoid tax sale foreclosure and keep their homes and the equity their families have worked to build.

We urge your favorable report for HB 235.

Submitted by Claudia Wilson Randall, Executive Director, Community Development Network